

Thank you, Chair Maloney, Vice-Chair Schumer, and Ranking Member Brownback.

My name is Karen Nussbaum. I am here today representing a lifetime of experience representing the concerns of working women: as the founder and director of 9to5, the National Association of Working Women; the Director of the Women's Bureau of the U.S. Department of Labor, the highest seat in the federal government devoted to women's issues; assistant to the president of the AFL-CIO; and currently as the executive director of Working America, the community affiliate of the AFL-CIO, an organization of 2.5 million working women and men who do not have a union on the job. My professional experience as a working women's advocate – and an advocate for working men and families – spans all occupations, union and non-union.

The Deteriorating Work-Family Balance

For generations, the problem of work and family was solved simply – pay a family wage to a single breadwinner. Accepted norms governed employer-employee relationships, strengthened by unions and collective bargaining. This solution didn't work for everyone – around 40% of African American women worked throughout the first half of the 20th century, while single women of all races didn't earn a family wage – but the post-World War II economic boom saw a common increase in standard of living across all income groups, families were tended to and communities benefitted from the volunteer activities of their members. The American middle class blossomed in these years.

A 1974 Business Week editorial signaled a shift in employer strategy towards workers, wages and benefits: "It will be a bitter pill for most Americans to swallow – the idea of doing with less so that banks and big businesses can have more." This signaled the inception of a low road strategy, in which employers reduced wages and benefits for most workers, creating a privileged group of professional workers at the top at the expense of a broad middle class; drafted low-wage workers, particularly women, into the workforce; and made a concerted effort to reduce worker bargaining power.

This strategy has proven effective for employers and disastrous for workers and their families. Working and middle-class people shared in the postwar boom, but after 1973, workplace standards were steadily eroded and most Americans ended up doing with less.

- Median family income stagnated, and actually dropped from 2000-2006.¹
- Defined benefit pensions became a thing of the past – 25 years ago more than 80% of large and medium-sized firms offered defined benefit pensions; today, less than a third do.²
- Nearly half of private sector workers have no paid sick leave.³
- Nearly a quarter of workers have no paid vacation or holidays,⁴ and Americans work, on average, a month longer each year than in 1983.⁵

- More and more women are working multiple jobs and non-standard hours – more than one out of four regularly work nights or weekends; and nearly half of all women work different schedules than spouses or partners.⁶

And banks and big businesses – until they crashed – did get more.

- Between 1948 and 2001, in each cyclical recovery, corporate profits grew an average of 14% while worker salaries grew at half that rate. Between 2001 and 2004, while workers' incomes shrank by 0.6%, corporate profits grew 62.2%.⁷
- From 1987 to 2005, the percentage of Americans without health insurance grew from 12.9% to 15.9%,⁸ while from 2002 to 2005 alone, insurance company profits soared by nearly 1000%.⁹

A Return to Standards

Once known as “cafeteria benefits,” work and family policies such as child care or flextime were seen as options that could be chosen to fit personal needs above and beyond the basic benefits. While some employees – primarily urban professionals – were making choices at the cafeteria, the great majority of working people no longer even had meat and potatoes.

Some leaders, such as former General Electric CEO Jack Welch, say that there is “no such thing as work-life balance,”¹⁰ that working women have no choice but to sacrifice either work or family. But Ellen Galinsky’s impressive work demonstrates that work/life policies are viable and widespread, increase productivity and personal satisfaction. Her research demonstrates that pursuing work/life policies in a recession is *good* for the bottom line.

However, after a 30-year experiment with voluntary adoption of work/family measures in the workplace, we know that reasonable standards will not penetrate the workplace without enforcement. A small minority of professional workers will have the benefits and arrangements they require, but the majority of workers will be subject to work schedules beyond their control, minimal or no benefits and no paid leave to care for their families.

As we decide how to cope with recession, we have the perfect opportunity to take the next step and create workplace standards that are good for the bottom line and for working families.

Freedom to Join a Union and Bargain Collectively

The most effective and flexible way to create customized improvements at the work place is by enabling working people to talk directly with employers about what is needed – otherwise known as collective bargaining.

A recent study by the Labor Project for Working Families found that, among hourly workers, 46 percent of unionized workers receive full pay while on leave compared to 29 percent of nonunionized workers, while companies with 30 percent or more unionized workers are five times as likely as companies with no unionized workers to pay the entire family health insurance premium.¹¹ The Employee Free Choice Act would restore the right to collective bargaining, which would help create a contemporary version of work/life balance.

Health Care

Health care costs are crippling families and employers and crowding out the possibility of other workplace improvements. With health insurance expenses the fastest-growing cost component for employers,¹² employers do that offer health coverage are finding it difficult to compete, both with companies in countries that have universal coverage and with employers in the U.S. that do not offer benefits. Meanwhile, workers' out-of-pocket costs have soared from \$1,320 in 2001 to \$3,597 in 2008¹³ and medical debt is a factor in 62 percent of personal bankruptcies.¹⁴

Solving the health care crisis would create a new floor for the work/family balance, boosting disadvantaged families while reassuring middle-class ones that one piece of bad luck would not plunge them into bankruptcy.

Work/Family Standards

In addition, there are key work/family standards which provide the framework for moving forward.

- Paid sick days
 - Paid sick days help reduce the spread of illness in workplaces, schools and child care facilities, yet 79 percent of low-income workers – the majority of whom are women – do not have a single paid sick day.¹⁵
 - Congress should support The Healthy Families Act (H.R. 2460), which would provide full-time employees with seven paid sick days per year – and a prorated amount for part-time employees – to be used for short-term illness, to care for a sick family member or for routine medical care
- Paid family leave
 - The Family and Medical Leave Act has been a great success. Since 1993, workers have used the FMLA more than 100 million times.¹⁶ Yet, half of the private-sector workforce is excluded from it and 4 out of 5 eligible employees who need leave could not take it because it was unpaid.¹⁷ FMLA coverage should be expanded and wage replacement be added.
- Control over work hours/flexible work hours
 - Flexibility in regards to workers' work/life balance is particularly important given that Americans work nearly nine weeks (350 hours) longer each year than Western Europeans.¹⁸ In 1970, fewer than half (38 percent) of U.S. women with school-age children were in the labor market. By 2000, more than two-thirds (67 percent) were on the job.¹⁹ In the U.S., two-thirds of working couples with kids put in overtime.²⁰ Flextime helps solve the common conflict between lengthening work hours and our personal obligations. Flextime gives a worker more control over her or his schedule on an hourly, daily, weekly, seasonal or annual basis. If Workers are expected to flex to the job, the job should flex back.

I'd like to recognize Chair Maloney for her leadership on this issue and ongoing commitment to working families across the country. Securing a flexible workplace for women and families is essential to balancing the daily demands of work and personal life, and the Working Families' Flexibility Act seeks to advance that cause.

- Paycheck fairness
 - The Paycheck Fairness Act is not strictly a work/family policy but it does seek to restore balance – in the wages paid to women and men. (H.R. 12) would close loopholes in the Equal Pay Act of 1963 and is long overdue.
- Misclassification of employees
 - Misclassification of employees allows employers to save on taxes and benefits, and harms workers and their families by excluding them from health insurance, workers compensation, minimum wage and overtime pay, and family and medical leave or unemployment benefits.
- Child care and pre-school
 - Affordable child care is a must for single mothers, families that require two incomes to get by, and women who choose to continue working while their children are young.
 - Early childhood education would not only benefit children but would enable their parents to save on childcare costs and potentially return to the workforce sooner if they chose.

Conclusion

It has taken decades to achieve basic workplace standards – in some cases it has been more than a century of struggle: overtime after 40 hours, no child labor, non-discrimination, and more recently, unpaid family leave. Many benefits workers took for granted in the 1950s are now seriously eroded. We are now far behind all other industrial countries both in standards and practice and we have seen that without the standards, we will not have the practice.

Now is the time to put the next generation of basic workplace safeguards in place.

¹ Economic Policy Institute, 2006. “State of Working America.”

<http://www.stateofworkingamerica.org/tabfig/2008/01/03.jpg> Accessed 7/19/09.

² Jacob Hacker, 2008. Testimony Before Committee on Education and Labor, U.S. House of Representatives Field Hearing on “The Impact of the Financial Crisis on Workers’ Retirement Security.”

[http://www.law.berkeley.edu/files/Hacker_Testimony_-_Oct_2008-1\(1\).pdf](http://www.law.berkeley.edu/files/Hacker_Testimony_-_Oct_2008-1(1).pdf) Accessed 7/17/09.

³ Vicky Lovell, Institute for Women’s Policy Research, “Women and Paid Sick Days: Crucial for Family Well-Being, 2007.”

⁴ Center for Economic and Policy Research, 2007. “U.S. Only Advanced Economy That Does Not Guarantee Workers Paid Vacation.” <http://www.cepr.net/index.php/press-releases/press-releases/us-only-advanced-economy-that-does-not-guarantee-workers-paid-vacation/> Accessed 7/21/09

⁵ Darrell Hutchens and Jeff Milchen, 2003. “Americans Working More, Earning Less.” http://www.reclaimdemocracy.org/labor/unpaid_overtime_rules.html Accessed 7/19/09.

⁶ AFL-CIO, “Ask A Working Woman Survey 2000,” poll conducted by Lake Snell Perry & Assoc., 2000.

⁷ Economic Policy Institute, 2004. “When Do Workers Get Their Share?” http://www.epi.org/economic_snapshots/entry/webfeatures_snapshots_05272004/ Accessed 7/19/09.

⁸ U.S. Census Bureau, “Historical Health Insurance Tables.”

<http://www.census.gov/hhes/www/hlthins/historic/hlthin05/hihist1.html> Accessed 7/20/09.

⁹ AFL-CIO, “Insurance Company Profits are Fat and Healthy.”

http://aflcio.org/issues/healthcare/upload/facts_insurancecompanyprofits.pdf Accessed 7/20/09.

¹⁰ Jack Welch speaking to the Society for Human Resource Management, 6/28/09, quoted by Andrew Leonard. http://www.salon.com/tech/htww/2009/07/14/jack_welch_and_women/index.html?source=newsletter Accessed 7/17/09.

¹¹ Jennifer MacGillvary and Netsy Firestein, 2009. “Family-Friendly Workplaces: Do Unions Make a Difference?” <http://laborcenter.berkeley.edu/jobquality/familyfriendly09.pdf> Accessed 7/17/09.

¹² National Coalition on Health Care. <http://www.nchc.org/facts/cost.shtml> Accessed 7/22/09.

¹³ Hewitt Health Care Initiative/AFL-CIO. http://aflcio.org/issues/healthcare/facts_insurancepremiums.cfm Accessed 7/22/09.

¹⁴ CBS News. <http://www.cbsnews.com/stories/2009/06/05/earlyshow/health/main5064981.shtml> Accessed 7/22/09.

¹⁵ Economic Policy Institute, “Minimum Wage Issue Guide,” 2007, www.epi.org/content.cfm/issueguides_minwage Accessed 7/22/09.

¹⁶ Testimony of Debra Ness before the Committee on Health, Education, Labor and Pensions Subcommittee on Children and Families, Feb. 13, 2008, help.senate.gov/Hearings/2008_02_13/Ness.pdf, and “The Family and Medical Leave Act Regulations: A Report on the Department of Labor’s Request for Information 2007 Update,” U.S. Department of Labor, June 2007, at 129.

¹⁷ Jane Waldfolgal, www.bls.gov/opub/mlr/2001/09/art2full.pdf; Jody Heymann, www.iwpr.org/pdf/heyman.pdf; “Balancing the Needs of Families and Employers: Family and Medical Leave Surveys 2000 Update,” conducted by Westat for the U.S. Department of Labor.

¹⁸ www.timeday.org (10/9/2006)

¹⁹ Win-win flexibility: New American Foundation

²⁰ One sick child away from being fired: When “opting out” is not an option. Center for WorkLife Law.